

House Republican Press Release

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STILL Not Paying Attention? (Part 2)



By State Representative John J. Ryan

Our last column focused on an example of the considerable disparity between the political rhetoric that emanates from some camps in your State Capitol, and the reality (often ignored) when votes are taken and fiscal implications can be tabulated. An even more telling example of the political reality that actually exists in Hartford is demonstrated by the recent budget votes taken by the two legislative committees most involved with your tax dollars, the Appropriations Committee (they allocate where \$ is spent) and the Finance, Revenue and Bonding Committee (they decide how to raise the \$ through taxes).

If you recall our columns from about 2 months ago, Governor Rell commenced this year's Session with her budget proposal for the next fiscal year, that becomes the starting point of this year's General Assembly monetary deliberations. The Governor, citing a looming budget surplus (now estimated in the \$ 600 million + range), proposed a number of tax cuts, which we will briefly summarize as :

- Elimination of car property tax \$190 million
- Electric tax rates cut \$49 million
- Repeal estate tax \$34 million
- Repeal corporate tax surcharge \$32 million

And, if you include various smaller items, Governor Rell proposed more than \$315 million in tax reductions or cuts. Further, the Governor's budget proposed allocating \$335 million to the State's "Rainy Day Fund," and also proposed a spending increase of \$ 85.5 million for fiscal year 2006, but it was for the purpose of buying down some more of the State's large debt. In addition, the Governor's budget would be at or under the State's mandated spending cap for both fiscal year 2006 and 2007, and includes \$ 221 million for capital bonding (the usual roads, schools, bridges, etc.).

So at the end of the day, when the two "monetary committees" voted out their budget proposal (if you are guessing that the vote was on a party-line basis, you are indeed getting the hang of this!), the legislative majority party's budget proposal included:

- Not one of the Governor Rell's proposed tax cuts; no reduction or elimination of the car tax, estate tax, electric tax or corporate tax surcharge;

- An allocation of only \$39 million to the "Rainy Day Fund"; spending increases of more than \$530 million just in fiscal year 2006;
- Nearly \$475 million in new bonded debt;
- And a budget more than half a billion **over** the spending cap in Fiscal year 2006.

We should also point out that in the wave of press releases, the legislative majority touts that they propose a large payment to the Teachers' Retirement Fund, but of course the pension funding is something that the State is already obligated to do.

And if you saw some of the quotes the media, Governor Rell said "The majority party simply cannot control its appetite for spending; unfortunately, it is the taxpayers' money they are spending" and labeled the proposal "irresponsible". The budget director, OPM Secretary Bob Genuario said adopting this budget would put the State "in a world of hurt in 14 months", and would cause a \$1.3 billion deficit by July 1, 2007.

In contrast, one of our local State Senators having voted for the proposal said "it's responsible" and other majority party legislators echoed similar sentiments, such as the Appropriation co-chairperson's "we are confident that it takes care of Connecticut's needs."

The editorial in Sunday's Stamford daily newspaper called the budget proposal increasing "spending by an outrageous 17.2 per cent over two years." In other words, the annual budget melee in Hartford is going full tilt. I suspect that if you were thinking about refinancing your mortgage, purchasing a new SUV, or thinking about the right college for your child, you would be looking at all of the data components very thoroughly. Have you taken even a cursory glance at what is going on with your tax dollars in your State Capitol? Don't you think that you should know what is going on?

Please feel free to contact me with your concerns and issues. As your state representative, it is my job, and my priority to represent you and to make sure that your needs and concerns are addressed at the capitol. You can write to me at Room 4200, Legislative Office Building, Hartford, CT 06106-1591, send me e-mail at John.Ryan@housegop.state.ct.us or call my office toll-free at 1-800-842-1423.